

"In this connection I want to say that I think we are particularly fortunate in having such a careful and competent man as Mr. Cantley in charge as general manager, and also fortunate in having under him a competent staff working harmoniously for the best interests of the shareholders. It is perhaps opportune that I should at this time call your attention to the growth of this company during the past five years.

"I became president of the company in March, 1905, and all of the present board (with two exceptions, were then directors. In the previous year, 1904, the earnings were \$501,337.24. For 1909 they were \$907,949, an increase of over 50 per cent. In 1904 we mined and shipped from Wabana 246,022 tons of ore, and in 1909, 460,387 tons, an increase of 67 per cent. In 1904 the total coal raised at Sydney mines was 476,521 tons, and in 1909, 613,000 tons, an increase of 70 per cent. In 1910 we expect an output of 900,000 tons, an increase of 423,459 tons over 1904, equal to 88 per cent. In 1904 the output of pig-iron was 31,567 tons; in 1909 it was 58,676 tons, or an increase of 85 per cent.

"In 1904 the open hearth plant produced 30,000 tons of ingots; in 1909 the output was 64,240 tons, an increase of 114 per cent. In 1904 our cogging mill rolled 30,223 tons of ingots; in 1909 the output was 64,240 tons, an increase of 114 per cent. In 1904, our finishing mills and forge department made and shipped 25,958 tons; in 1909 the product was 56,515 tons, an increase of 126 per cent. During this period we acquired the submarine iron ore deposits at Wabana and very extensive coal areas, and have largely developed the iron ore areas. The acquisition of the submarine iron ore and coal areas and the development of the iron ore property have added many millions to the assets of the company, which do not show in our statement of assets because we have only added the bare actual cost of the areas and the amount actually spent in their development. From two collieries in 1904 we have now five well equipped, and we are well prepared to look after the expanding coal trade of the company. We have erected a new forge at New Glasgow, and have also greatly increased the capacity and efficiency of our mills there. From an output in 1904 of 30,223 tons to 52,931 tons in 1909 is a large increase, and further extensions now being made are expected to give us next year an output of, say, 70,000. When it is considered that during all the period under review the company suffered from insufficient working capital, and that all the property I have spoken of was acquired and the extensions and betterments of plants were effected without any new capital available, I think the board can properly claim some credit for having carefully, wisely and successfully administered the property committed to their hands by the shareholders. As the accounts show, our finances are in a very satisfactory condition. I am, however, pleased to be able to tell you that since the report was distributed, we have disposed of a further \$1,500,000 of our bonds in London on favourable terms, and we have now ample funds on hand to provide for all improvements and extensions to our plant at New Glasgow, Wabana and Sydney Mines, contemplated for some years, and have, as well, ample working capital, for the company, as regarded from a financial point of view or from the standpoint of its physical condition, was never better than it is at the present time.

"The remaining \$1,000,000 of bonds the directors consider it unnecessary to sell, as the money is not now required. In addition to this \$1,000,000 of bonds in the treasury, we have power to dispose of \$6,000,000 of debenture stock if and when it is required for future developments or extensions or other purposes of the company. During the past few years when we were developing our coal and iron areas we were handicapped by not having any securities in the treasury which could be issued to provide for such capital expenditure. Having experienced this difficulty, your directors determined when reorganizing the finances of the company that ample provision should be made for its future requirements. The importance of this cannot be over-estimated. Another very gratifying feature of our

report is the fact that we have not added one dollar to our property account by reason of the premiums paid on the redemption of our old bond issues nor the discount on the sale of the 3,500,000 of debenture stock disposed of and referred to in the report.

"The substitution of the new 5 per cent. fifty-year bonds with a sinking fund of one-half per cent., in place of the previous bond issues upon which we were paying 6 per cent. interest and 2 per cent. sinking fund, will effect a large saving in interest has given us a large capital for further developments of our property and provided us with ample working capital, and, notwithstanding the additional capital thus secured, our fixed charges will not be materially increased. In 1904 the company sold its consolidated 6 per cent. bonds at 87½ per cent. of par, so that the company then paid interest at the rate of 6.86 per cent. for its money. In 1904 our 5 per cent. fifty-year bonds realized 94 per cent. of par, making our interest rate 5.32 per cent., or a little over 1½ per cent. less than on the loan made in 1904. You are all aware that during the year we issued to our shareholders a stock bonus of 20 per cent., thus compensating for the dividends which we considered it unwise to pay out during the years when we were using so large a proportion of our earnings for capital expenditure.

"I feel that you are to be congratulated on the improved financial condition of the company, and the prospects for the future. There has been a marked improvement in the iron and steel business in Canada, and unless something unforeseen happens, we believe that 1910 will be the best year in the company's history. The development of the submarine iron ore properties at Wabana has verified our expectations in regard to it, and there is no longer any doubt as to the enormous value of the areas.

"With regard to the important question of future dividends on the common stock of the company, I can see no reason, in view of the present financial position of the company and the power we possess to issue securities to provide for any extensions of our business, why a reasonable proportion of the earnings of each year should not be paid to the common shareholders.

"The board have already declared a dividend of 1 per cent. for the first quarter, and if the earnings of the company for the balance of the year prove to be as large as they now promise I think a substantial increase should be made before the end of the year to the present rate of dividends on the common stock. I do not think there are any other matters in the report which call for further remarks from me at this time, and I therefore move the adoption of the report and financial statements."

NIPISSING ANNUAL.

The annual meeting of the Nipissing Mines Company will be held in Augusta, Me., on April 25th, at 2 p.m.

On April 1st the Buffalo paid 5 per cent. to its shareholders and will pay a bonus of 3 per cent. on May 16th. These disbursements will make total return to shareholders of 73 per cent. of the capital stock.

DOMINION IRON AND STEEL.

The output of the Dominion Iron & Steel Company for the month of March was very heavy, and the shipments also were heavy for that month.

The March figures follow:—

	Tons.
Pigs	22,320
Ingots	25,809
Blooms	22,870
Rails	13,680
Rods	7,730
Shipments	25,180